

St. Paul United Methodist Church  
Discernment Team  
Report to Administrative Council  
Special Called meeting - June 11, 2023

The Discernment Team, as elected by the St. Paul UMC Administrative Council, offers the following to the Administrative Council with regard to the future of our St. Paul family.

**Our consensus: To continue to follow our mission, purpose, and beliefs, members of the Discernment Team are in 100% agreement that the best possible outcome for St. Paul would be to separate from the United Methodist denomination and become a dual-campus independent Methodist/Wesleyan church. Hours of prayer, listening, and discernment leave us with the conviction that the membership of St. Paul should be given the opportunity to take a congregational vote pursuant to the Disaffiliation Paragraph 2553 in the UMC Book of Discipline. The Discernment Team consists of twelve lay members of St. Paul, who although are not uniform in all beliefs, are unanimous in submitting to the Administrative Council and the congregation that the best possible future for St. Paul is to disaffiliate from the UMC and that disaffiliation is necessary in order for St. Paul to remain the same.**

A. **What right(s) do churches have to disaffiliate from the UMC Denomination?**

Because of the continued controversy over church law and human sexuality, a limited right to disaffiliate from the denomination was passed at General Conference in 2019. This right expires on December 31, 2023. Paragraph 2553 limits the reasons that churches can disaffiliate to reasons of conscience surrounding church laws about marriage and about who can be ordained as pastors. The discernment process at St. Paul has been limited to issues of human sexuality in order to comply with church law.

B. **Discernment Team Charge**

The Discernment Team was asked to delve deep into prayer, research and dialogue on the best possible future for our church...and to make an official recommendation to the Administrative Council, and the greater church, on what should unfold so that St. Paul continues: living out its identity as a house of worship exalting our Risen Lord, continues being a vibrant community of faith which pursues Holiness, and continues being a place where the Holy Scriptures are proclaimed.

C. **The Process**

- 1) Rev. Trey Skaggs held two congregational awareness meetings with regard to the growing tension within the United Methodist Church and the Mississippi Annual Conference on the denomination's polity, doctrine, and accountability. These meetings were held on March 5 and 19, 2023, at the Downtown and East Campuses, respectively.
- 2) The Mississippi Annual Conference (MSAC) held a churchwide Exploration

meeting at the East Campus on April 16, 2023 at 6:00. This meeting was led by MSAC Treasurer, David Stotts, and Seashore District Superintendent Larry Hilliard. There were 108 persons in attendance.

- 3) The Discernment Team held six listening sessions on the following dates:
  - (a) Listening session #1, April 13, 2023 DT: 55 persons attended
  - (b) Listening session #2, April 27, 2023 EC: 60 persons attended
  - (c) Listening session #3, April 26, 2023 DT: 58 persons attended
  - (d) Listening session #4, May 4, 2023 EC: 76 persons attended
  - (e) Listening session #5, May 10, 2023 DT: 41 persons attended
  - (f) Listening session #6, May 17, 2023 EC: 71 persons attended

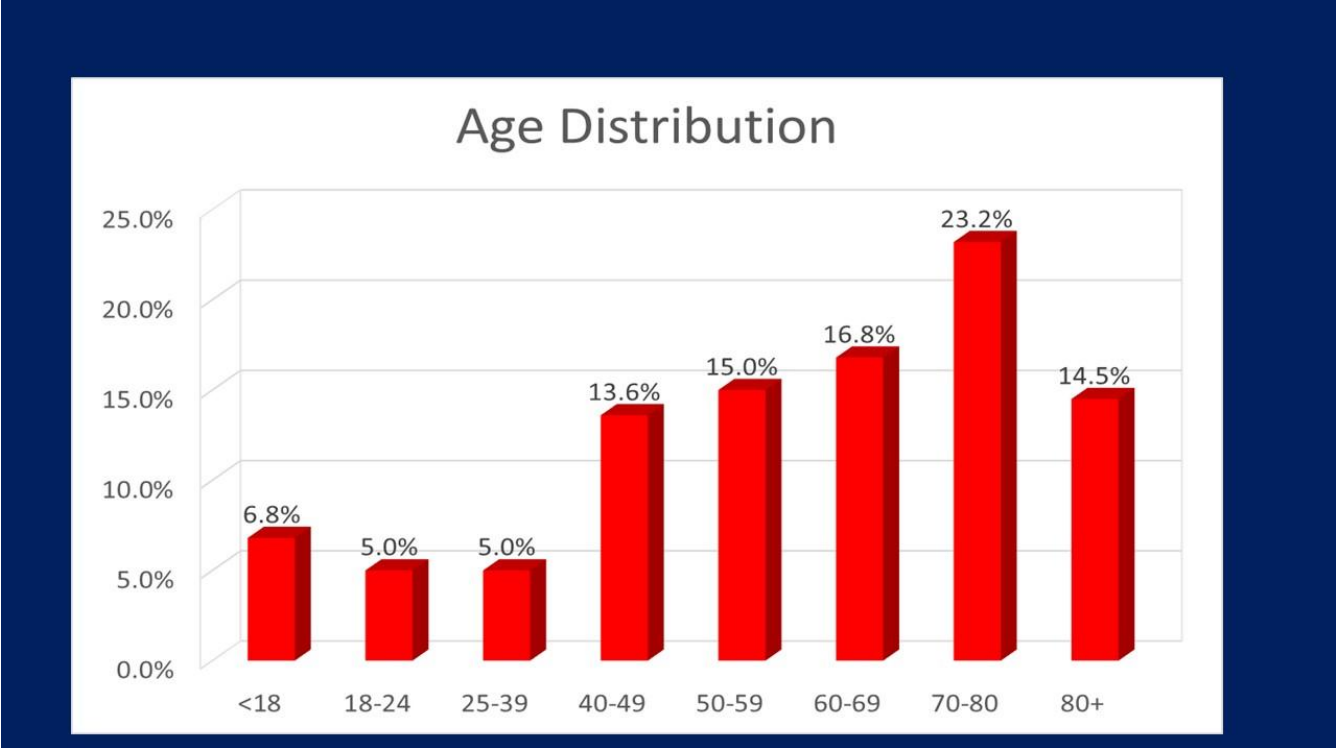
Note: Many people attended two or more meetings. The discrete number of people who attended at least one of these sessions was 181 persons.

- 4) The Discernment Team, with assistance from church staff, created a webpage titled “Discerning our Future” on St. Paul’s website [www.stpaulos.org](http://www.stpaulos.org). The website included a slide presentation that was created to accompany Rev. Skaggs’ initial awareness meetings, videos addressing history, traditional, centrist, progressive viewpoints, and concerning examples in the UMC today.
- 5) Also included on the “Discerning our Future” page was a portal where members could submit questions and concerns, anonymously if desired. A one-page Information Sheet was created as an effort to respond to many questions which were repeatedly asked in the portal and at Listening Sessions.
- 6) A “Discerning our Future Pulse Survey” was distributed at each of the three services on Sunday, May 21. The results of the survey are discussed below.

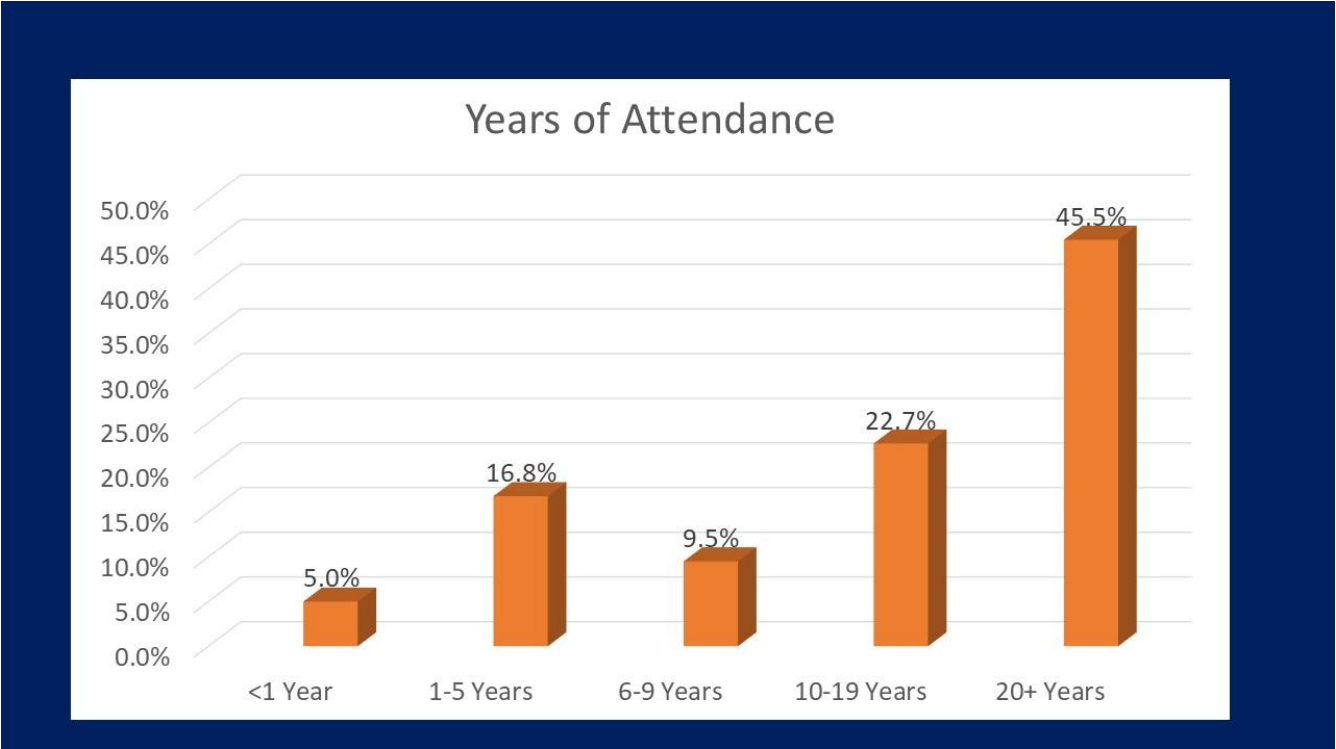
D. **Pulse Survey Results Support Traditional Stance:**

On May 21, 2023, the congregation of St. Paul participated in a survey offered by the Discernment Team. There were 221 survey returns from members. Because a Church Conference vote would be limited to professing members only, the results presented herein are those of the members and do not include non-members. The results revealed the following:

# What is your age?



# How long have you been attending St. Paul?



**Below are some definitions related to human sexuality and relevant to current discussions within the United Methodist Church. Please read them and then select from the list of statements that follow.**

**Lesbian/Homosexual-** a woman who is attracted to women

**Gay/Homosexual-** a man who is attracted to men

**Bi-sexual-** people who are attracted to two or more genders

**Transgender-** persons with gender identity that does not correspond with their gender at birth

**Transsexual-** a transgender person, especially one who has undergone gender reassignment surgery

**Queer-** a person of sexual/gender identity that does not correspond to established ideas of sexuality or gender

**Intersex-** a person with naturally occurring characteristics of both sexes

**Asexual-** a person with no affiliation with or interest in sex

**Two-spirit-** Indigenous people who identify as having both a masculine and a feminine spirit

**+ (Plus) -** includes gender identities and sexual orientations that have not yet been fully described

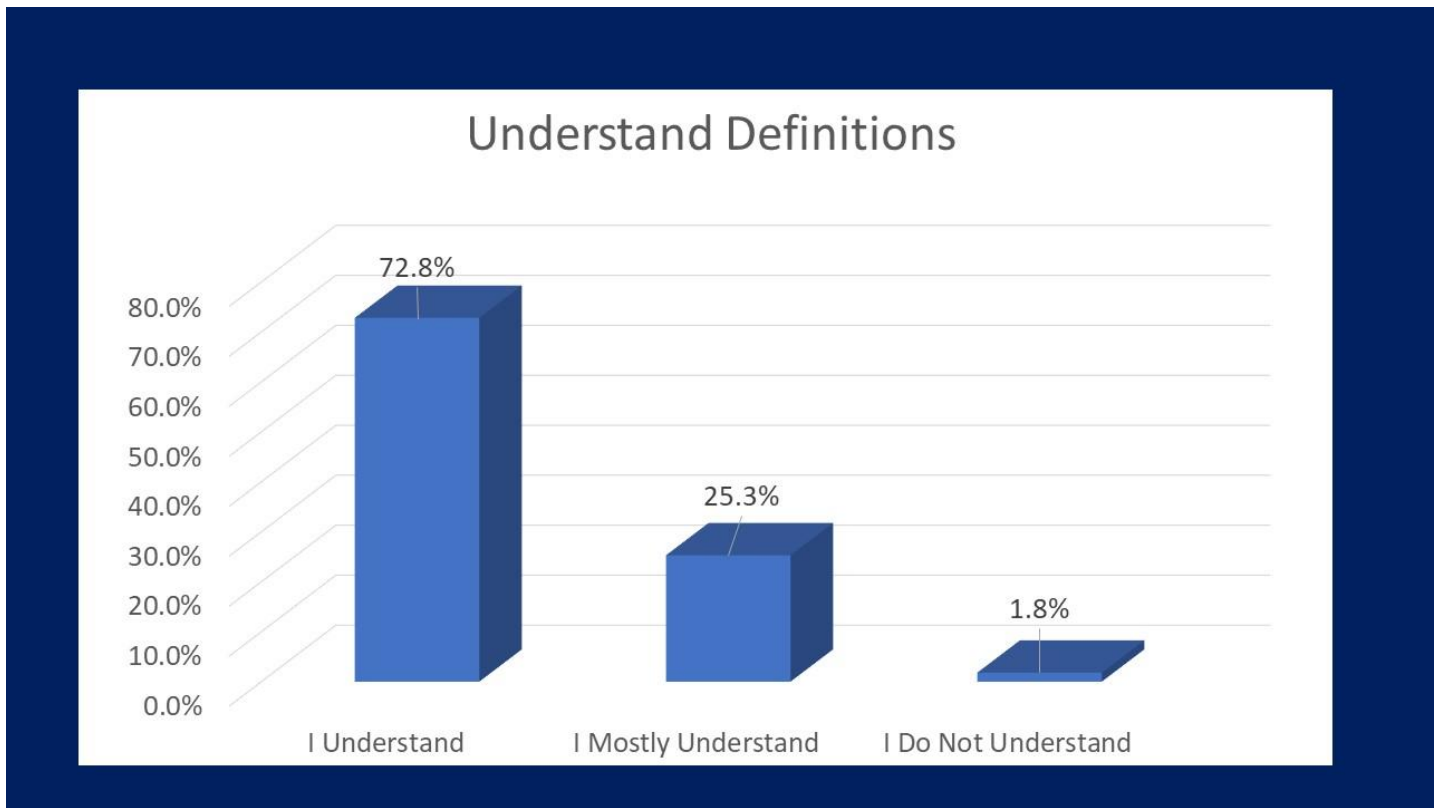
**Non-binary-** a person whose gender identity is not exclusively male or female

**Pansexual-** a person who experiences attraction for members of all gender identities/expressions

**A. I understand the definitions above relating to the LGBTQ community**

**B. I mostly understand the definitions**

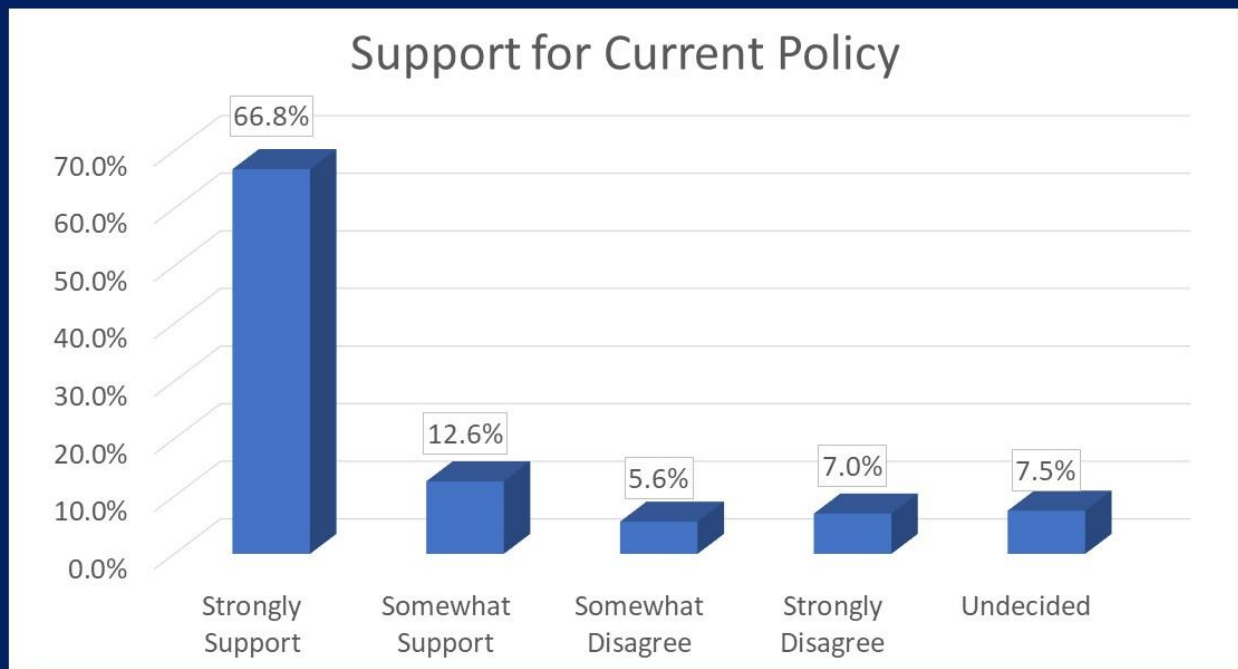
**C. I do not understand**



**Which of the following BEST describes your view of the current policy of the UMC related to human sexuality?**

- + Sexual relations are affirmed only within the covenant of monogamous, heterosexual marriage (marriage between one man & one woman)**
- + Homosexual persons cannot be ordained as pastors**
- + Same-sex weddings cannot take place in United Methodist Churches or be performed by United Methodist pastors**

- A. I strongly support the current policy**
- B. I somewhat support the current policy**
- C. I somewhat disagree with the current policy**
- D. I strongly disagree with the current policy**
- E. I haven't decided on my views on the current policy**

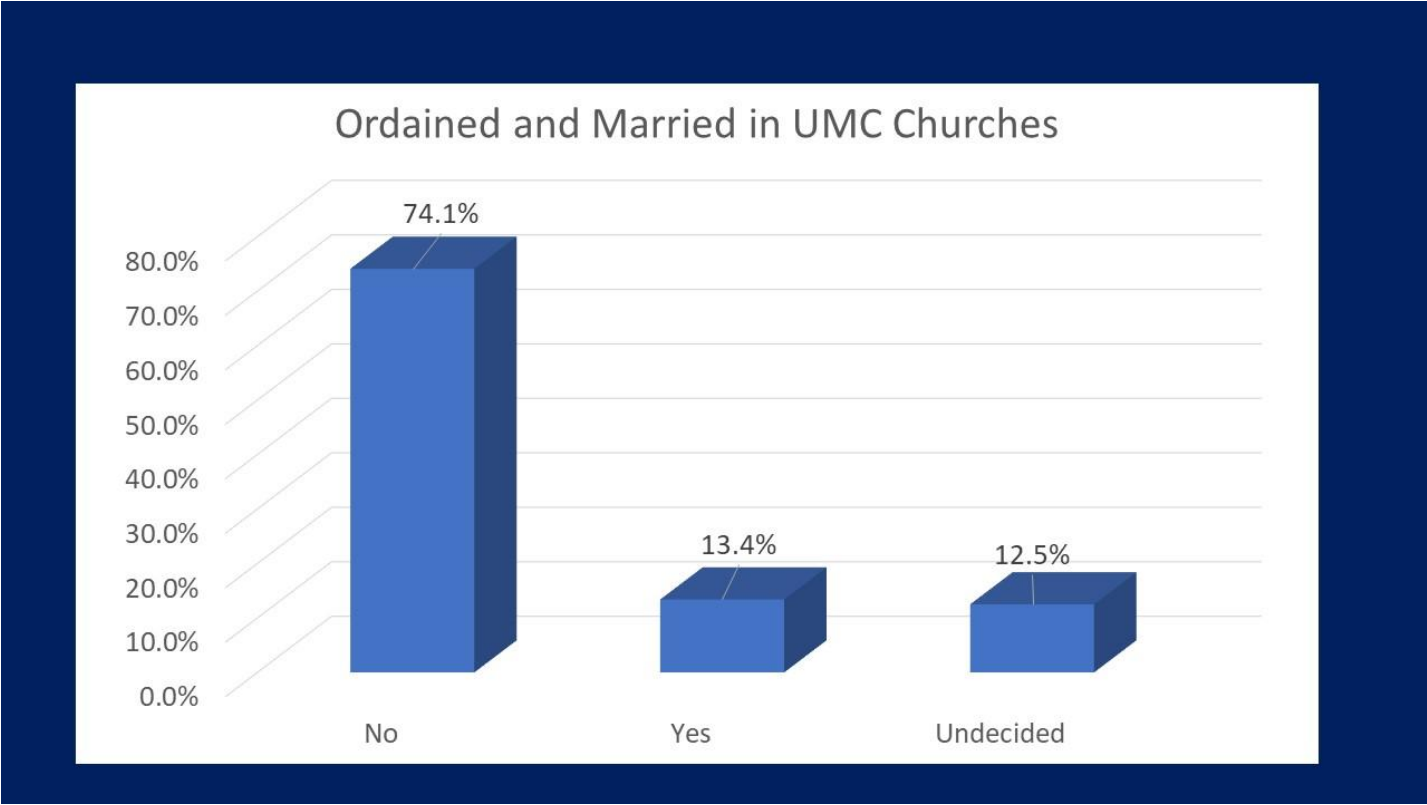


**Regarding the LGBTQ community and recognizing that everyone is welcomed and loved by St. Paul UMC, which of the following comments best describes how you feel:**

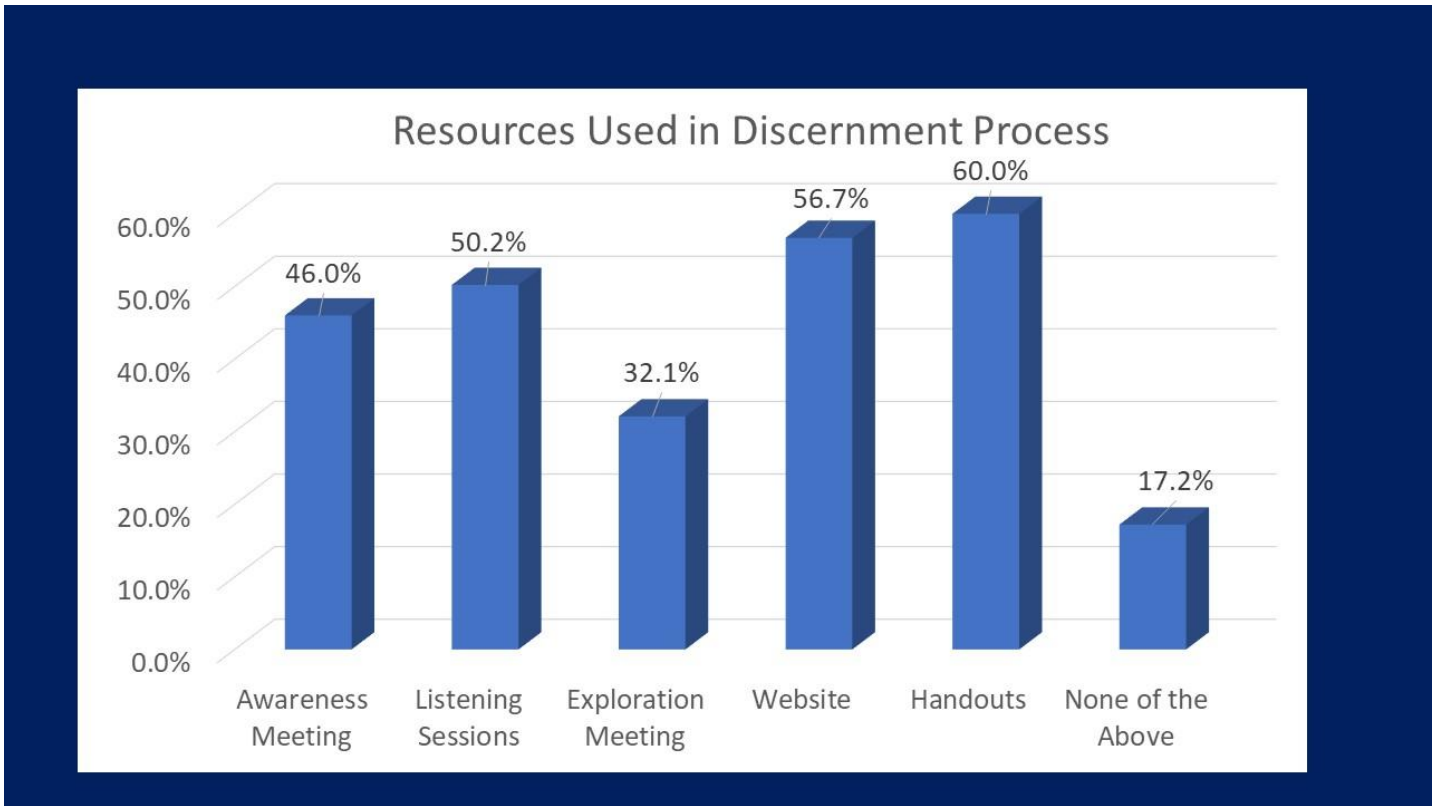
**A. I do not believe that members of the LGBTQ community should be ordained as UMC pastors/ clergy or be married in the UMC church.**

**B. I believe that members of the LGBTQ community should be allowed to be ordained as UMC pastors/clergy or be married in the UMC church.**

**C. I am undecided on the matter.**



**Of the following, which of these have you attended or utilized in this Discernment Process?**



**Key Takeaways from the Survey:**

- **79.4%** support orthodox Christian teaching on human sexuality and marriages as is currently found in church law (Book of Discipline).
- **74.1%** do not believe that members of the LGBTQ community should be ordained as UMC pastors/clergy or be married in the UMC church

## E. The Recommendation

After three months of intense study, research, listening, discussion and prayer, the Discernment Team at St. Paul United Methodist Church voted **unanimously** to make a recommendation to the Administrative Council that St. Paul disaffiliate from the United Methodist Church and become an independent Methodist/Wesleyan church.

The existing tension and distraction within the United Methodist Church surrounding human sexuality and the LGBTQ+ community continues to dominate the denominational landscape and its potential path. Our concerns include:

- 1) There exists a rapidly increasing number of unaddressed denominational violations of church law on human sexuality.
- 2) Thousands of traditional churches are expected to disaffiliate from the denomination by Dec. 31, 2023, which will result in a more progressive body of voting delegates. Because of this change, the Discernment Team believes that it is more likely than not that the traditional language will be changed at General Conference 2024.
- 3) Even if the traditional language is upheld again in 2024, the Discernment Team firmly believes that unaddressed violations will continue to increase until the language is changed at a subsequent General Conference.
- 4) In Mississippi, after the disaffiliation votes are ratified at the June 2023 Annual Conference, over 200 Mississippi churches will have disaffiliated due to the existing conflict over human sexuality.
- 5) Even though Mississippi currently has one of the only remaining conservative bishops in the denomination, we are still adversely affected at the state and local church level by the unaddressed violations of and resistance to church law on human sexuality throughout the UMC connection.
- 6) The Discernment Team believes that the UMC has fundamentally changed over time, and is continuing to evolve in ways that do not reflect the beliefs of the overwhelming majority of St. Paul membership. The Pulse Survey reflects that 79.4% of St. Paul members indicate support of the traditional stance on human sexuality and marriages.

This continued conflict over human sexuality distracts from the ministries and growth of St. Paul. Our church is a thriving faith community that is welcoming to all people and is led by dynamic clergy/staff who share our continued vision of being a loving church that welcomes all into our fellowship. It is imperative that St. Paul can focus on worship attendance, professions of faith, discipleship, membership, and stewardship without being distracted from our mission.



## **F. Financial Requirements for Disaffiliation:**

### **Estimated Disaffiliation Fee:**

There are two components that make up the disaffiliation fee that will be owed to the UMC Mississippi Annual Conference at the time of disaffiliation. **Based on the latest information from our Annual Conference, St. Paul's disaffiliation fee is estimated to be \$447,807.** The detail is as follows:

#### **1) Pension Covenant Payment – Estimated amount \$195,471**

- a) Directly related to a national UMC pension fund that is underfunded based on current and projected numbers of retired clergy and spouses, actuarial rates, and investment earnings.
- b) This payment represents St. Paul's amount to bring our church's pension funding to 100%.
- c) Churches that are scheduled to disaffiliate in December, which will include St. Paul if the Discernment Team's recommendation is voted on and approved by both the Administrative Council and the congregation, will receive a FINAL pension estimate after October 1<sup>st</sup>. Our Annual Conference has requested an update for pensions as of October 1, 2023.

#### **2) Mission Shares for Two Years (2023 & 2024) – Final amount \$252,336**

- a) St. Paul's Mission Shares (aka: Apportionments) for 2023 are \$126,168. Each month for the remainder of 2023, St. Paul is scheduled to pay \$11,475 as part of the operating budget, which will fully pay this amount in December.
- b) The 2024 amount for the second yearly payment is based on the 2023 amount and therefore will not change.
- c) By the Mississippi Annual Conference special called session for disaffiliation affirmations on December 9<sup>th</sup>, St. Paul is scheduled to have paid 2023 Mission Shares in full. **By the December 9<sup>th</sup> meeting, St. Paul's net disaffiliation fee is estimated to be \$321,639.**

### **Payment Options for Disaffiliation Fee:**

Here are some options from the Discernment Team to help understand how to pay the fee. \*\*\*for reference purposes bullet numbering will be continued\*\*\*

#### **3) Payroll Tax Credits Received – Net amount \$170,878**

- a) A CARES Act 2020 Employee Retention Credit is a refundable credit for enterprises that continued to pay employees for 2020 and 2021. St. Paul through Horne CPA applied for this credit and in May received payments totaling \$189,864, which the church will net \$170,878 after Horne's fee is paid. These funds are presently in St. Paul's bank account and were not contemplated in St. Paul's 2023 operating budget.
  - i) St. Paul is still awaiting the payment for Q1 2021 of \$49,296. All other quarters have been credited (Q2-Q4 2020, Q2-Q3 2021) and received in the \$189K total.

#### **4) Remaining Amount of \$150,761**

- a) **Foundation Savings \$40,000 potential** – St. Paul has approximately \$149,000 in unrestricted savings in a Mississippi UM Savings Account. These funds can be accessed by the church in 24 hours. The Finance Committee has been increasing the amount by \$5,000 monthly over the past several months as the money is available. These savings are informally earmarked to pay an insurance deductible of \$100,000 if a disaster were to occur. To stay reserved for a potential deductible and to keep an additional \$40,000 in reserve as contingency, we need to keep savings of \$140,000. If St. Paul continues to add \$5,000 monthly over the balance of the year, unrestricted savings would grow to approximately

\$179,000, giving the church a surplus of approximately \$40,000 that could be applied to the Disaffiliation fee.

- b) **Outstanding Q1 2021 Employee Retention Credit \$44,000 potential** – See 3ai from above
- c) **Special Offering (potential unknown)** – St. Paul could conduct a special offering campaign if a congregational vote were taken to disaffiliate.
- d) **Obtain a Loan** – As a final resort, St. Paul could obtain a bank loan to pay for the remaining balance of the disaffiliation fee.
- i) If St. Paul were to disaffiliate, the annual Mission Shares of \$126K would no longer exist in 2024 and beyond. The savings of those proceeds could be used to repay any debt that occurs as the result of disaffiliation.

**Financial Tables of Disaffiliation Fees:**

<b>St. Paul Estimated Disaffiliation Fee</b>			
	<u>\$</u>	<u>ref.</u>	
Pension Covenant Payment			
Estimate (April 1, 2023)	\$195,471	(1)	
Mission Shares:			
2023	126,168	(2a)	
2024	126,168	(2b)	
Subtotal - Mission Shares	\$252,336		
<b>Total - Disaffiliation Fee</b>	<b>\$447,807</b>		
<b>Less:</b>			
Payment of 2023 Mission Shares			
(on pace for December )	(126,168)	(2a)	
<b>Net - Disaffiliation Fee</b>	<b>\$321,639</b>	(2c)	

<b>Payment Options for Disaffiliation Fee</b>			
Disaffiliation Fee (Net)	\$321,639		
<b>Payment Options:</b>			
Employee Retention Tax Credits			
Received	170,878	(3a)	
<b>Remaining Amount</b>	<b>\$150,761</b>		

## **G. Implications surrounding departure from the UMC Denomination:**

The process of Disaffiliation under Paragraph 2553 of the Book of Discipline requires a two-thirds vote of St. Paul UMC professing members present at a specially called Church Conference scheduled by the District Superintendent. The remaining requirements are ratification by the Special Called Annual Conference on Dec. 9, 2023, and payment of the Disaffiliation Fee. The outcome of these actions would include the following:

1. The Mississippi Annual Conference would remove the Trust Clause on the St. Paul properties. Then St. Paul would own our church buildings, pastor parsonage and other property outright instead of in trust for the benefit of the Mississippi Annual Conference of the UMC.
2. Instead of having pastors appointed to serve at St. Paul by the Mississippi Annual Conference, our pastors would be employed directly by St. Paul. We have strong clergy and staff at present and want to retain them, which we will have the capacity to do as an independent church. For all future church staffing, we will have the ability to search, interview, and select people from anywhere, without being limited to the appointment process of the Mississippi Annual Conference of the UMC.
3. St. Paul would not continue to pay apportionments to the UMC (currently \$126,168 per year). St. Paul would make its own decisions regarding missional investments and ministries.
4. St. Paul can continue on our current positive path as an orthodox Methodist/Wesleyan church while being removed from the controversies and ineffective governance of the UMC.

## **H. What will St. Paul look like apart from the UMC denomination?**

St. Paul will not change who we are as a church by leaving the UMC. If you attend St. Paul because your beliefs align with what is taught here, and if you love the church that St. Paul is today - then a vote to leave the UMC will allow St. Paul to remain the church you know and love.

## **I. Conclusion:**

After having engaged in this discernment process for an extended time and after having received the results of the congregational survey, the Discernment Team feels that if St. Paul were to remain as part of the UMC denomination, we would continue to face challenges that would significantly impede the future vitality of our church family. It has been repeatedly stated throughout this process that there is a desire for St. Paul to “stay the same.” Therefore, the Discernment Team wishes to “pick up” St. Paul and fully remove it from all existing denominational distractions, while maintaining that our church is open to all people to be welcomed and loved. In order to stay the same, we believe that St. Paul needs to leave the denomination.

## **J. Best Possible Future for St. Paul**

Having been charged with recommending the best possible future for St. Paul, the Discernment Team offers the following three recommendations:

1. In order for St. Paul to stay the same, the Discernment Team recommends that all members vote to disaffiliate so that St. Paul can pick up and move away from the existing denominational distractions while maintaining its posture of being welcoming to all people.
2. To prepare for payment of the disaffiliation fee that would be required if St. Paul votes to disaffiliate, the Discernment Team recommends that all proceeds from the Cares Act ERTC claim be set aside pending the outcome of a congregational vote on disaffiliation, that the apportionments for the current year continue to be paid with the goal of payment in full for 2023, and that the Finance Committee continues to make efforts to save excess funds through the calendar year 2023.
3. Upon final disaffiliation, the Discernment Team recommends that St. Paul become an independent Methodist/Wesleyan church for a minimum period of approximately 15 months, continuing to operate with the same governance as it currently does. The Discernment Team recommends adopting similar language to the church doctrine and the relevant local church governance paragraphs of the 2016 Book of Discipline. The Discernment Team further recommends that an interim season steering committee be formed with several leaders from each campus that would ensure effective governance, maintain the current culture of both campuses and research the existing possible denominational and/or network connections that might be in the best interest of St. Paul.

**Therefore, the Discernment Team unanimously recommends that the Administrative Council of St. Paul UMC Ocean Springs vote to enter the Disaffiliation Process by following the requirements and steps which have been established by the Mississippi Annual Conference as follows: by submitting in writing to the District Superintendent Rev. Dr. Larry Hilliard a request that he schedule a church conference for the purpose of holding the official disaffiliation vote, and by submitting the signed Certification Form A (attached hereto and incorporated herein) to the District Superintendent Rev. Dr. Larry Hilliard.**

### Attachments:

1. Certification of Local Church - Form A

Attest

We, the undersigned members of the Discernment Team, attest that this "Discernment Team Report to Administrative Council" reflects our collective recommendation.

Hermanell Barnett Hermanell Barnett Date 6/6/23

Robin Boswell Robin Boswell Date 6/6/23

Walt Brehm Walt Brehm Date 6/6/23

John Bush John Bush (by Robin Boswell) Date 6/8/23

Bill Hawkins William E. Hawkins Date 6/6/23

Paul Heard Paul Heard Date 6/6/23

Riley Jackson Riley Jackson Date 6/6/23

Grace Knochel Grace Knochel Date 6/6/23

Gerda Leek Gerda Leek Date 6/6/23

Andrea Logan Andrea Logan Date 6/6/23

Michelle Smith Michelle W. Smith Date 6/6/23

Jill Taylor Jill S. Taylor Date 6/6/23

**Certification of Local Church**  
**Form A**  
**(Stating reasons requesting disaffiliation under ¶ 2553)**

The St. Paul United Methodist Church certifies that it plans to disaffiliate from the United Methodist Church for the reason(s) checked and explained below.

- a.  For reasons of conscience as a full inclusion church, we are requesting to enter the disaffiliation process. It is because the traditional stance of *The Discipline* of the UMC is not allowing marriages of the same sex or the ordination of self-avowed practicing homosexuals. We understand that this was resolved and adopted by the 2019 General Conference.
- b.  The following actions or inactions of the **Mississippi Annual Conference** related to the human sexuality issues causes us to request permission to enter the disaffiliation process (even though we understand that the Traditional Plan was resolved and adopted by the 2019 General Conference).

Actions Explained in attachment:

In-Actions Explained in attachment:

Certified that the above answers are true and correct for the professing members who plan to disaffiliate from the United Methodist Church.

Date \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: UMC Trustee

Attest:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: UMC Trustee

\_\_\_\_\_  
Admin Council Secretary

NOTE: This form is due in the District Superintendent's office within 30 days of the Exploration meeting. The Point Person should confirm in writing that it has been received by the District Office.

7.

**Certification of Local Church**

**Form A**

**Attachment (Explaining In-Actions)**

The Mississippi Annual Conference of the United Methodist Church has failed to demonstrate sufficient support for the 2019 Traditional Plan, leaving the members of St. Paul with significant doubt as to the future disposition of the Mississippi Annual Conference regarding its clergy and the issue of human sexuality. The potential changes to the beliefs and discipline of our denomination, the lack of communication from the Mississippi Annual Conference, the lack of alignment throughout the connection of the UMC regarding the enforcement of the existing Book of Discipline, and other factors are creating an environment that challenges the retention of St. Paul's current members, the recruitment of new members into our church, and the ability to hire and retain staff members. Because of all explained above, we believe that: (i) remaining in the UMC would be a hindrance to our church's ability to grow and make disciples of Christ; and (ii) that God is calling us out of the United Methodist Church denomination.

From the Recommendation of the Discernment Team at the Special Called Meeting of the Administrative Council of St. Paul UMC Ocean Springs on June 11, 2023, the motions before the Council are as follows:

**Motion #1**

Based on the unanimous recommendation of the Discernment Team, it is so moved that the Administrative Council of St. Paul UMC Ocean Springs vote to enter the Disaffiliation Process by following the requirements and steps which have been established by the Mississippi Annual Conference by submitting in writing to the District Superintendent Rev. Dr. Larry Hilliard a request that he schedule a church conference for the purpose of holding the official disaffiliation vote.

**(The following Motion #2 is contingent upon passage of Motion #1.)**

**Motion #2**

Based on the unanimous recommendation of the Discernment Team, it is so moved that the Administrative Council of St. Paul UMC Ocean Springs vote to sign and submit the Certification Form A, attached hereto and fully incorporated within, as is required by the Mississippi Annual Conference procedures on disaffiliation, to the District Superintendent Rev. Dr. Larry Hilliard.